

It gives me pleasure to say that I believe the affairs of the Company have been well conducted by the present management, and that a great deal of work of a difficult character has been done under it with but small means.

Any proposition to sell the State's interest in the road must to a very great extent be a business matter, and should be considered upon business principles. If an offer were made to one of you for the purchase of your own property, you would, after hearing the terms of the offer, be influenced in its acceptance or rejection by the condition and value of the property, and your supposed advantage in keeping or selling it. Presuming you would act in this way with the people's property, in the exercise of your responsible duties, I requested the President of the Company of the Western North Carolina Railroad to prepare a report, to be submitted to you, showing the condition and value of the property. This report I herewith transmit, and commend to your careful attention. From it you will see the completed part of the road is by no means in good condition. The road-bed and an important and costly bridge need repairs; the iron is worn, and much of it needs replacing with new; the rolling-stock is insufficient, and much of it old and needing repairs. He estimates, as you will see from his report, that the sum of \$220,000 will be needed in the next two years to put the road from Salisbury to Asheville in fair condition. From Asheville to Paint Rock is forty-five miles, and the sum of \$650,000, according to his estimate, will be needed to build and equip this part of the road. From Asheville to Ducktown, he reports, is one hundred and thirty-five miles, and to build and equip this line the sum of \$5,330,000 will be required. The time required to build and equip these two lines, under existing laws, he estimates to be thirty years; and this estimate supposes that every dollar of the annual appropriation be paid by the State and used for that purpose. The gross earnings of the company were last year \$82,422.37, and the net earnings \$22,157.60, which were